

Message Text

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PAGE 01 MOSCOW 03845 071450Z

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TAGS: EGEN, ETRD, ASEC, UR, US

SUBJECT: RELOCATION OF INTOURIST OFFICES

REF: (A) STATE 55315, (B) STATE 49630, (C) STATE 46751

1. AMEXCO MOSCOW REP TEDESCO INFORMED COMATT LAST WEEK THAT PRESIDENT OF AMEXCO'S TRAVEL DIVISION, ALDO PAPONE, HAD SENT A TELEX TO CHAIRMAN BOYCHENKO OF INTOURIST APPEALING FOR BETTER OFFICE SITE THAN THAT WHICH SOVIETS HAVE ALREADY OFFERED ON SADOVOYE KOL'TSO. SPECIFICALLY, ACCORDING TO TEDESCO, AMEXCO IS NOW SEEKING GROUND-LEVEL OFFICE SPACE ON EITHER GORKY STREET OR KALININ PROSPEKT INSIDE SADOVOYE KOL'TSO.

2. TEDESCO SAID THAT WHILE AMEXCO IS NOT DISPLEASED WITH CURRENT SOVIET OFFER, FIRM'S NEW YORK HEADQUARTERS APPARENTLY FEELS NOW IS TIME TO APPLY MAXIMUM PRESSURE -- ESPECIALLY IN VIEW OF IMMINENT MEETING IN MOSCOW (MARCH 19) OF COMMITTEE ON TOURISM INCLUDING AMEXCO'S EX-PRESIDENT HOWARD CLARK. CLARK HAS REPORTEDLY LET IT BE KNOWN (PRESUMABLY TO SOVIETS AS WELL AS HIS AMERICAN COLLEAGUES) THAT HE WILL PARTICIPATE IN MEETING ONLY IF QUESTION OF AMEXCO'S NEW MOSCOW OFFICE SPACE IS SETTLED BY THEN TO FIRM'S SATISFACTION.

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PAGE 02 MOSCOW 03845 071450Z

3. TEDESCO HAD EARLIER REPORTED TO US AN "ORAL COMMITMENT" BY HEAD OF PROTOCOL AT INTOURIST, SIMCHENKO, REGARDING RENTAL PAYMENTS ON 300 SQ. METERS OF OFFICE SPACE AT 21 (A) SADOVAYA KUDRINSKAYA. SIMCHENKO HAD ADVISED TEDESCO THAT RENT WOULD BE NO MORE THAN 15,000 RUBLES (THEN APPROX \$21,500) WHICH TEDESCO TOLD COMATT WAS "AN ATTRACTIVE PRICE."

4. COMMENT: IT APPEARS THAT AMEXCO NEW YORK IS NOT AS PLEASED WITH NEW OFFICE LOCATION PROFFERED BY SOVIETS AS IS ITS LOCAL REPRESENTATIVE. TEDESCO IS OF OPINION THAT IN TERMS OF SHEER PHYSICAL SPACE, OFFICES AT 21 (A) SADOVAYA KUDRINSKAYA WOULD BE MORE THAN ADEQUATE TO AMEXCO'S NEEDS BETWEEN NOW AND 1980. MOREOVER, HE SEES POSSIBILITIES FOR AMEXCO LOCATING THERE OVER LONGER RUN, PERHAPS OPENING ONLY A SMALL "SATELLITE" OFFICE IN NEW WORLD TRADE CENTER WHEN (AND IF) IT IS COMPLETED. EMBASSY NOW OF VIEW THAT AMEXCO SHOULD PERHAPS BE GIVEN UNTIL MARCH 19 TO COME TO TERMS WITH SOVIETS ON THIS MATTER, BUT BEYOND THAT TIME DEPARTMENT -- IF IT CONCURS IN ABOVE SUGGESTION -- WOULD NOT BE IN A GOOD POSITION TO CONTINUE TO DENY TO INTOURIST ITS APPROVAL TO RELOCATE OFFICES IN NEW YORK ON OR BEFORE APRIL 30. (WE UNDERSTAND FROM TEDESCO, INCIDENTALLY, THAT NEGOTIATIONS BETWEEN INTOURIST AND LANDLORD OF EMPTY OR SOON-TO-BE EMPTY OFFICE SPACE ON 44TH STREET HAVE BEEN REVIVED.) WE CANNOT ASSESS VALUE OF HOWARD CLARK'S ALLEGED LINKING OF HIS ATTENDANCE AT TOURISM COMMITTEE MEETING IN MOSCOW TO A QUICKER RESOLUTION OF AMEXCO OFFICE ISSUE, (ESPECIALLY SINCE TOURISM COMMITTEE IS BASICALLY A U.S. IDEA AND NOT A SOVIET INITIATIVE). NONETHELESS, IF SOVIETS HAVE BEEN PUSHED THIS FAR BY DEPARTMENT'S APPLYING A MODERATE AMOUNT OF LEVERAGE, THEY MAY BE AMENABLE TO FURTHER CONCESSIONS IF WE KEEP UP LIMITED OFFICIAL USE

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PAGE 03 MOSCOW 03845 071450Z

PRESSURE A BIT LONGER. TOON

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